in Bosnia, IndoPak relations and bilateral cooperation on global issues, particularly at the UN. Our concerns related to cross-border terrorism in Jammu & Kashmir were conveyed to Dr. Kinkel. The German Minister underlined the central position occupied by India in terms of Germany's Asia Concept Policy and stressed the importance attached by them to developing closer relations with India on the basis of partnership in political, economic and cultural fields. Dr. Kinkel reaffirmed German support for the resolution of Indo-Pak issues through bilateral dialogue and welcomed India's policy of transparency on human rights. He indicated Germany's strong interest in permanent membership of the UN Security Council and expressed support for a permanent seat for India in the UN body. The German business delegation accompanying Dr. Kinkel was urged to explore more actively prospects for investments in the areas of power, energy, coal, telecommunications, environment-friendly technologies, modernisation of roads and ports and agro-processing. The German business delegation evinced keen interest in increasing their presence in the Indian market through investments, particularly in the fields of power, chemicals and the entire range of transportation infrastructure.

(e) Yes, Sir.

(f) and (g) During the visit, the IndoFRG Financial Cooperation Agreement 1994 under which Government of FRG is to provide financial assistance of DM 460 million was signed. In addition an Agreement for the Fertilizer Sector Programme III was also signed. Government proposes to take all necessary steps to implement these agreements.

**High Rate of Interest Charged by NABARD from Primary Weavers Cooperatives**

3752. SHRI G. PRATHAPA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether representations have been received by the Ministry of Finance regarding the high rate of interest charged on the borrowings made to primary weavers' cooperatives by the NABARD;

(b) what is the rate of interest charged by the NABARD on the borrowings given to the Agri. Credit Cooperatives and primary weavers' Cooperatives;

(c) what are the service charges collected on the borrowings to the Agri. Credit Cooperatives by the District Cooperative Central Banks; and

(d) what is the rate of interest collected from the State Governments on the borrowings disbursed to the primary weavers' cooperatives by District Cooperative Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY): (a) Yes, Sir.

(b) and (c) The National Bank for Agriculture and Rural Development (NABARD) has reported that the rate of interest charged on short term Agricultural loans provided to State Cooperative Bank (SCBs) for lending to Primary Agricultural Credit Societies (PACS) through District Central Cooperative Banks (DCCBs) ranges between 3 per cent and 6.5 per cent and in turn SCBs charge interest to CCBs at rates ranging between 3 and 7 per cent. Against this the DCCBs lend to PACS at 9%. Under the Scheme of handloom finance, the SCBs/DCCBs are charged interest at 9.5 per cent by NABARD and they are expected to charge the same rate of interest to Primary Weavers' Cooperative Societies (PWCS).

(d) State Governments are expected to provide interest subsidy @ 3% to State/ Central Co-operative Banks. This serves as margin to co-operative banks who collect from the PWCS the same rate of interest at which refinance is provided to the former by NABARD (i.e. 9.5%)

**Sale of Preferential Share to Promoters**

3753. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state;

(a) whether Government have issued any guidelines to the financial institutions, banks to waive six months gestation period in favour of Indian companies as in the case of foreign companies to sell preferencial shares to the promoters; and

(b) if not, the basis on which financial institutions and the banks granted loans to M/S TISCO and other companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY): (a) No, Sir.

(b) Sanction of loans to corporate bodies by Financial Institutions and Banks is based upon their commercial judgement and project viability.

**Bilateral Agreement Between India and France**

3754. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to state:

(a) whether India and France are working on bilateral investment protection agreement to further encourage French investment and to give their economic and political relations a fresh impetus;

(b) whether French Foreign Minister visited India in the Month of May to discuss the investment proposals by the French Government;

(c) if so, to what extent the France has improved its investment in India during 1994-95:

(d) what are the areas on which the French investment has been more; and

(e) what are the agreements reached between India and France for improving trade relations between the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY): (a) Yes, sir.

(b) The French Foreign Minister visited India during April, 1994.

(c) and (d) No estimates about the quantum or areas of French investment in 1994-95 have been made.

(e) No trade agreement with France has been signed.

**Credit Limit to Primary Weavers' Cooperatives**

3755. SHRl G. PRATHAPA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the recommendations of the Inter-Ministerial Committee appointed by the Ministry of Textiles on 3rd September, 1992 at the instance of the Ministry of Finance, that the credit limits sanctioned to the Primary Weavers' Cooperatives by the "National Bank for Agriculture and Rural Development (NABARD)[1] be channelled through the branches of the Nationalised Banks, because of the several difficulties being experienced by the Weavers' Cooperatives to draw them through the District Co-operative Central Bank, is still with the Ministry of Finance;

(b) why the Weavers' cooperatives are tagged on to the District Cooperative Central Bank run by agriculturists, while the agricultural credit cooperatives are allowed to draw their requirement of borrowing from several sources; and

(c) the action proposed to be taken on the recommendation of the inter-Ministerial Committee?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKAR MURTHY): (a) and (c) The Inter-Ministerial Committee appointed by the Ministry of Textiles had, inter-alia, recommended that National Bank for Agriculture and Rural Development (NABARD) refinance be made available through Commercial banks for Primary Weavers' Cooperative Societies (PWCS). This recommendation has been examined in consultation with NABARD and Reserve Bank of India (RBI), who are not in favour of inducting commercial banks for financing PWCS. However, where financing by cooperative sector is considered inadequate alternative arrangements such as direct financing of societies by State Cooperative Banks (SCBs) could be thought of without disrupting the existing institutional arrangements. According to NABARD, there already exists a provision in its policy guidelines for SCBs to take up direct financing to PWCS in areas where the District Central Cooperative Banks (DCCBs) are weak.